

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

KELLY TOYS HOLDINGS, LLC,

Plaintiff

v.

SHENZHEN ZHIXIN TRADING CO. LTD.,
SHENZHEN ZHIXIN TRADING CO. LTD. d/b/a
WWW.SQUISHMALLOWSUS.COM d/b/a WW
W.SQUISHMALLOWS-
US.COM d/b/a WWW.SQUISHMOLLAWS.CO
M, TOP DEPARTMENT STORE d/b/a
WWW.SQUISHMALLOWSUS.COM d/b/a WW
W.SQUISHMALLOWS-
US.COM d/b/a WWW.SQUISHMOLLAWS.CO
M; PERFECTDISC
SQUISHMOLLAWS.COM d/b/a WWW.SQUISH
MOLLAWS.COM; WWW.SQUISHMALLOWS
US.COM; WWW.SQUISHMALLOWS-
US.COM and WWW.SQUISHMOLLAWS.COM,

Defendants

CIVIL ACTION No.

1:22-cv-558 (PAE)

STIPULATED FINAL JUDGMENT UPON CONSENT

This action having been commenced by Plaintiff KELLY TOYS HOLDINGS, LLC
("Plaintiff") against defendants SHENZHEN ZHIXIN TRADING CO. LTD., TOP
DEPARTMENT STORE, SQUISHMOLLAWS.COM, WWW.SQUISHMALLOWSUS.COM,

WWW.SQUISHMALLOWS-US.COM and ZHENBEI HE (“Defendants”). Plaintiff and Defendants have resolved all claims arising from the allegations in the Complaint.

THIS COURT HEREBY FINDS that it has personal jurisdiction over Defendants since Defendants directly target its business activities towards consumers in the United States, including New York. Specifically, Defendants have targeted sales to New York residents by setting up and operating e-commerce stores that target United States consumers using one or more seller aliases, offering shipping to the United States, including New York, accepting payment in U.S. dollars, and having sold products bearing unauthorized copies of the SQUISHMALLOWS Copyrighted Designs which are listed in Exhibit C to the Complaint and/or using infringing and counterfeit versions of the SQUISHMALLOWS Trademarks (including U.S. Trademark Registration Nos. 6,137,521, 5,454,574, 5,962,289 and 2,029,047) (collectively, the “Unauthorized SQUISHMALLOWS Products”) to residents of New York.

THIS COURT FURTHER FINDS that Defendants are liable for willful federal trademark infringement and counterfeiting (15 U.S.C. § 1114), false designation of origin (15 U.S.C. § 1125(a)), and copyright infringement (17 U.S.C §§ 106 and 501, *et seq.*).

IT IS HEREBY ORDERED that:

1. Defendants, the officers, agents, servants, employees, attorneys, and all persons acting for, with, by, through, under or in active concert with it be permanently enjoined and restrained from:
 - a. using the SQUISHMALLOWS Trademarks or any reproductions, counterfeit copies or colorable imitations thereof in any manner in connection with the distribution, marketing, advertising, offering for sale, or sale of any product that is not a genuine SQUISHMALLOWS product or not authorized by Plaintiff to be sold in connection with the SQUISHMALLOWS Trademarks;

- b. reproducing, distributing copies of, making derivative works of, or publicly displaying the SQUISHMALLOWS Copyrighted Designs in any manner without the express authorization of Plaintiff;
 - c. passing off, inducing, or enabling others to sell or pass off any product as a genuine SQUISHMALLOWS product or any other product produced by Plaintiff, that is not Plaintiff's or not produced under the authorization, control or supervision of Plaintiff and approved by Plaintiff for sale under the SQUISHMALLOWS Trademarks and/or the SQUISHMALLOWS Copyrighted Designs;
 - d. committing any acts calculated to cause consumers to believe that Defendants' Unauthorized SQUISHMALLOWS Products are those sold under the authorization, control or supervision of Plaintiff, or are sponsored by, approved by, or otherwise connected with Plaintiff;
 - e. further infringing the SQUISHMALLOWS Trademarks and/or the SQUISHMALLOWS Copyrighted Designs and damaging Plaintiff's goodwill; and
 - f. manufacturing, shipping, delivering, holding for sale, transferring or otherwise moving, storing, distributing, returning, or otherwise disposing of, in any manner, products or inventory not manufactured by or for Plaintiff's, nor authorized by Plaintiff to be sold or offered for sale, and which bear any of Plaintiff's trademarks, including the SQUISHMALLOWS Trademarks, or any reproductions, counterfeit copies or colorable imitations thereof and/or which bear the SQUISHMALLOWS Copyrighted Designs.
2. PayPal, Inc. ("PayPal") is ordered to transfer the entire amount restrained in Defendants' PayPal, Inc. account(s) (i.e., PayPal account number *1930760764376942721, *1521032899326445921 and *1895395798373258362) to Plaintiff within seven (7)

calendar days of receipt of this Order.

3. Upon PayPal's transfer of Damages Amount to Plaintiff pursuant to paragraph 2, PayPal shall remove any restraints that were placed on Defendants' e-commerce store and financial account pursuant to the Temporary Restraining Order [20].
4. Within fifteen (15) days from this Order, Defendants shall irrevocably transfer and assign to Plaintiff all rights in the Infringing Domain Names, including www.squishmallowsus.com, www.squishmallows-us.com, www.squishmallowus.com, www.squishmollaws.com and www.squishjoys.com.
5. Each party shall bear its own attorney's fees and costs.
6. The \$5,000 cash security ordered is hereby released to Epstein Drangel, counsel for Plaintiff.

APPROVED AS TO FORM AND AGREED TO:

EPSTEIN DRANGEL LLP

AU LC

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DATED: November 21, 2022

IT IS SO ORDERED.

Paul A. Engelmayer

Paul A. Engelmayer
United States District Judge

*The Clerk of Court is respectfully directed
to close this case.
- PAE, 11/21/22*